

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL MEMORANDUM**

**SB 521 – HB 1771**

March 3, 2009

**SUMMARY OF AMENDMENT (004639):** Deletes the language of the original bill. Requires local governments to conduct a public hearing prior to a regularly scheduled meeting and approve by majority vote the exercise of eminent domain.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase Local Expenditures – Not Significant

Other Fiscal Impact – Changes in property tax collections may occur as a result of this bill. Currently, if a government acquires property through the power of eminent domain, the property may become a tax-exempt parcel. If the parcel is then leased to a private entity, payment in lieu of tax payments (PILOT) may be negotiated. The amount of any PILOT would vary and may differ from the tax collected prior to the government's exercise of eminent domain. Under this bill, these transactions may no longer take place. The impact on property tax revenue cannot be reasonably quantified due to these variables.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumption applied to amendment:

- Requiring public hearings to be held before regularly scheduled meetings and requiring approval by a majority vote instead of two-thirds vote will not change the estimated fiscal impact of the legislation.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/kmc